

**Information Network of Kansas
Board of Director's Meeting
January 4, 2007**

The January 4, 2007 meeting was held at the KDOT Office, 700 SW Harrison, 2nd Floor, Topeka, KS 66603. At 10:05, Chairman Yunk called the meeting to order.

The following Board members and proxy were present: Stan Ahlerich, Tim Blevins, Cynthia Dunham, Denise Moore, Kathy Sachs, Dennis Slimmer, Roger Winfrey, and Dan Yunk. Others present were: Jim Hollingsworth, INK Executive Director; Tracy Smith, Brent Hoffman, DiAnna Wages, Scott Morrison of Kansas Information Consortium (KIC); Phil Elwood, INK General Council; Dan Korber, Kansas, Inc.

Approval of minutes

Yunk referred to the minutes of the October 19, 2006 and December 6, 2006 meetings and requested corrections. A motion was made by Winfrey to approve the October 19, 2006 and December 6, 2006 minutes. Seconded by Ahlerich. Motion carried.

Treasurer's Report

Hollingsworth provided the Treasurer's Report for the period ending November 30, 2006. Hollingsworth pointed out name changes within the financials for clarification purposes and provided an overview of several INK financial statements. Hollingsworth noted within liabilities, the 301 account was now accruing credit card fees. Hollingsworth compared budgeted and actual positions, noting slight differences overall, but actual financials were roughly 6.2 percent below projected. Overall, the INK Financials were good.

Hollingsworth referred the Board to a new worksheet provided by Mize Houser in regards to net revenue.

At 10:08 a.m. Slimmer joined the meeting.

Yunk called for questions/comments regarding the financials. Yunk inquired whether the new meeting schedule of the 1st Thursday of each month provided for better financial reporting. Hollingsworth noted in this case, over the holiday season, the new schedule did not help; however, this may change in the months following the holiday season.

A motion was made by Winfrey to approve the Treasurer's Report for the period ending November 30, 2006. Seconded by Sachs. Motion carried.

Network Manager Report

Smith provided the Board with an update on the KIC financials for the period ending November 30, 2006. Smith noted the financials were in line with projections and provided further detail to the prospect of getting all 105 counties online in regards to court records.

Smith noted two Service Requests:

- Service Request 375 from the Kansas Department of Labor (KDOL) requested INK assist in providing payment batching of unemployment insurance costs as a fee service. Development of the INK service is at no cost to KDOL.
- Service Request 376 from the Kansas Department of Agriculture (KDA) requested INK develop a Pesticide Dealer Registration as a fee service to allow dealers to register online, pay their registration fees

online and receive confirmation that the registration and payment was processed successfully. Development of the INK service is at no cost to KDA.

Smith noted two new contracts for the Board to review:

- The **Resident Agent/Resident Amendment from the Kansas Secretary of State (KSOS) Office** requested that INK assist in providing online amendment capability for entity resident agents and registered office as a fee service. Development of the INK service is at no cost to KSOS.
- The **Health Occupations Credentialing Address Change and Payment Portal – Kansas Department of Health and Environment (KDHE)** requested that INK assist in providing dietitians, speech-language pathologists, audiologists, and adult care home administrators the ability to change address, request certificate and license replacements and pay online by electronic check and credit card as a fee service. Development of the INK service is at no cost to KDHE.

Smith noted three contract renewals for the Board to review:

- The **Fee Structure Change for the Kansas Board of Pharmacy (KBP)** which changes the fee structure to be consistent with the fees charged by the KBP.
- The **Fee Structure Change for the Kansas State Board of Technical Professions (KSBTP)** which changes the fee structure to be consistent with the fees charged by the KSBTP.
- The **Legislative Coordinating Council** contract for all legislative services renewed for 2007, which is a year to year contract renewal that provides for services such as legislative website, multi-bill tracking, agenda, rosters, etc.

Discussion ensued.

Slimmer requested clarification regarding the court records issue. Smith noted that counties would be required to send the data in a uniform format. Hollingsworth noted that several counties were now willing to participate in the process.

Dunham requested clarification regarding court record updates, and Smith noted they would be daily in most cases.

Blevins noted in relationship to service request 375 that national standards already exist and have been approved for the electronic payment and tax filing for unemployment taxes FSET (Federal State Employment Tax). These national standards have been developed through the ANSI TIGERS group, which is the national standards setting body for Taxation. These are XML standards that are directly related to the Kansas Department of Labor (KDOL) or any other state or federal agency that decides to electronically accept these payments or returns. Blevins noted he would send the national standards and their location on the Internet to the KIC development staff shortly after the January Board meeting.

A motion was made by Slimmer to approve all previously listed Service Requests, Contracts, and Contract Renewals. Seconded by Dunham. Motion carried.

Smith referred the Board to a letter received from the Kansas Secretary of State Office in regards to the Kansas Register. Smith noted the KSOS Office had contacted KIC in regards to taking this service from a fee service to a free service, noting the KSOS Office would rewrite and run the application in house.

Slimmer requested clarification on when this would occur, and Sachs noted January 15, 2007.

Dunham noted this service was valuable, and it was a good move to make it a free service.

A motion was made by Ahlerich to acknowledge the INK Board was aware of this proposal and approved of the KSOS Office taking over and providing the Kansas Register service as a free service maintained in-house. Seconded by Slimmer. Motion carried.

Smith provided the Board with an update on the Legislative Email issue, noting KIC had met with incoming Speaker Neufeld. Smith noted from the discussion, INK would not be offering new legislators “ink.org” email accounts and the Kansas House of Representatives would be transitioning to a standard email account supplied and maintained by the Legislature to be used by all members.

Smith noted Speaker Neufeld stated a letter would be drafted to inform legislators of this change. Smith also mentioned they would be visiting with each legislator’s office in the near future.

Blevins requested clarification if all “ink.org” accounts would be eliminated in the future, and Smith noted this was the goal, however, it is written in statute that INK provide all legislators with electronic mail.

Smith noted the Senate also supports the standardization of email accounts.

Yunk referred to the handout Smith had provided to the Board, noting he and other Board members were not aware of all services that were provided. Yunk noted this information was helpful for not only Board members, but all subscribers, legislators, and other individuals, and suggested KIC provide this type of information to the Board.

Yunk noted when planning meeting agendas, in regards to roles and responsibilities, the Board should look at a mechanism to provide information to Hollingsworth to work into the agenda.

Smith provided the Board with an update on the Subscriber Payment Options issue, noting the issues with electronic and manual payments. Smith noted that KIC had developed another plan, instead of accessing a fee with ACH payments to counteract the credit card fee system, that a new system be developed including only ACH and manual payments, eliminating credit cards from the system. Manual payments would include an additional processing fee, while ACH payments would not have an additional fee.

Smith noted currently there were 673 ACH subscribers, 451 credit card subscribers, and 2300 manual payment subscribers. Smith noted issues within the current system, including 30, 60, 90 day delinquencies and the lack of any late fees or penalties associated with non-payment. Smith also noted that delinquent accounts were rarely shut off, and when paid, they weren’t paid in full. Smith noted a 1.5 percent late fee could be assessed.

Dunham noted possible issues that could occur within the time lag associated with the payments from large organizations. Dunham pointed out possible issues within local government which could lead to delinquent payments and as a result blocking their use of the portal.

Moore questioned if an e-check system would be feasible, and Smith noted it could be, but would take some development.

Blevins questioned why the current payment portal was not being utilized for this application, and Smith noted that in this case there were separate databases for customers and the payment portal. Additionally Smith noted the NIC is currently in the process of developing a new customer billing database to be used as a shared service across all NIC states.

Dunham pointed out possible issues within local government which could lead to delinquent payments and as a result blocking their use of the portal.

Yunk provided two points regarding the subscriber payment options, requesting clarification whether the proposed penalties would affect everyone or only certain users, and if the Board was provided with enough information to make an informed decision on the issue.

Smith noted that the proposal would most likely contain various provisions for different customers, and she would provide an agency report outlining the payment behavior of different customers at the next INK Board meeting.

Sachs noted that if given the choice, most customers would rather be assessed a late fee rather than have their service cut off. Blevins noted a letter could be sent assessing the situation.

Ahlerich noted overall issue of INK financing customers for 60-90 days should be corrected. Moore noted from the conversation, three objectives were going to be addressed, including the elimination of credit card fees, elimination of a manual process, and an effort to keep payments current.

Blevins noted that the Department of Revenue could be sourced to accomplish the paper check processing as a lock box operation for INK and KIC at a very attractive rate. Blevins noted KDOR currently is handling those operations for several state agencies and he encouraged Smith to look into that option.

Yunk closed the conversation regarding subscriber payment options, requesting Smith to bring further information to the Board at the February meeting.

Yunk requested the Board, staff, and partners continue to review its meeting frequency, staffing, function, interaction, etc in comparison to other Boards and entities in an effort to continually improve the performance of the INK organization.

Executive Director Report

Hollingsworth noted David King had been recently appointed to the INK Board, representing the Kansas Libraries Association, and Yunk had been reappointed for a term to expire in 2009.

Hollingsworth provided an update on the upcoming security audit, noting that INK had switched vendors from Fishnet to Quest, in an effort to bring a different IT security firm and new and additional IT Security tools sets to the engagement for accessing the security of the Kansas.GOV portal.

Hollingsworth noted the previous period was the largest amount of grant funds released in any period during his tenure. Hollingsworth noted of the \$458,447.17 expense total, \$365,419.64 went to Kansas Association of Counties, Kansas Historical Society, Kansas Department of Administration, and the Kansas Department of Revenue grants.

Hollingsworth provided the Board with an update on the PKI Renewal, noting that the new contract to provide digital certificates was now on a two year term, and provided a summary of the invoice. Hollingsworth noted the two-year invoice was \$72,690, compared to the previous one-year invoice of \$66,490, a savings of over \$92,000 over a two year period and the operation has an excellent opportunity to now be solvent and possibly profitable.

Hollingsworth recommended the Board access the Digital Signature Project restricted funds account and increase the balance to \$10,000, taking approximately \$5,490 of that account to make the PKI payment of \$72,690. Discussion ensued.

A motion was made by Blevins to accept Hollingsworth's recommendation to access the Digital Signature Project restricted funds account and increase the balance to \$10,000, taking the required deficit amount from the Digital Signature Project account to make the PKI payment of \$72,690. Seconded by Sachs. Motion carried.

Chairman's Report

Yunk noted INK Board positions and nominations were needed for the upcoming year, and requested the Board's direction on whether a committee or nomination process should be utilized. Yunk noted the Chairman, Vice-Chairman, Secretary, and Treasurer positions were up for nomination. Discussion ensued. Based on conversation, the Board's consensus was to nominate the current Executive Committee for the 2007 Calendar year.

A motion was made by Blevins to extend the current Executive Committee's responsibilities for one year. Within these responsibilities, the following officers were nominated: Chairman Yunk; Vice-Chairman Winfrey; Secretary Wagon; and Treasurer Thornburgh. Seconded by Slimmer. Motion carried.

At 11:15 a.m. Dunham was excused from the meeting.

Yunk suggested the Board take a five-minute break and return for Executive Session, to include the INK Board members, INK Board proxies, the INK Board Attorney Phil Elwood, and Hollingsworth.

At 11:22 a.m. a motion was made:

Executive Session

I move that the open meeting of the Information Network of Kansas be recessed for a closed, executive meeting pursuant to Joint Rule 5 of the Joint Rules of the Senate and House of Representatives and subsection (b) (13) of KSA 2000 Supp. 75-4319, as amended by Section 2 of Chapter 190 of the 2001 Session Laws of Kansas, for the purpose of personnel matters of non-elected personnel. No binding action shall be taken during closed or executive recesses and that the Information Network of Kansas resume the open meeting in this room, 2nd Floor of the KDOT offices at 11:52am., and that this motion, if adopted, be recorded in the minutes of the Information Network of Kansas and be maintained as a part of the permanent records of the Board;

The motion was made by Winfrey to move into executive session and it was seconded by Slimmer.

Motion carried.

At 11:52 am the INK Board meeting was called back to order. Yunk reported that no binding action was taken during the Executive Session.

At 11:53 a.m. a motion was made:

Executive Session

I move that the open meeting of the Information Network of Kansas be recessed for a closed, executive meeting pursuant to Joint Rule 5 of the Joint Rules of the Senate and House of Representatives and subsection (b) (13) of KSA 2000 Supp. 75-4319, as amended by Section 2 of Chapter 190 of the 2001 Session Laws of Kansas, for the purpose of personnel matters of non-elected personnel. No binding action shall be taken during closed or executive recesses and that the Information Network of Kansas resume the open meeting in this room, 2nd Floor of the KDOT offices at 12:08pm., and that this motion, if adopted, be recorded in the minutes of the Information Network of Kansas and be maintained as a part of the permanent records of the Board;

The motion was made by Blevins to move into executive session and it was seconded by Winfrey. Motion carried.

At 12:09 pm the INK Board meeting was called back to order. Yunk reported that no binding action was taken during the Executive Session.

A motion was made by Ahlerich to have the INK Board General Council review and update the job description for the INK Board Executive Director and to report back to the INK Board at future INK Board meetings. It was seconded by Winfrey. Motion carried.

With no further action, Yunk adjourned the meeting at 12:18 pm.

Respectfully Submitted Timothy R. Blevins on behalf of,

A handwritten signature in cursive script, reading "Joan Wagnon".

Joan Wagnon

Secretary